

August 20, 1951

CONTRIBUTION TO STAFF PLANNING PROJECT NO. 26.

TO:

FROM:

25X1A9a

SUBJECT: Prompts Trends in Agriculture

At best, we cannot expect the food situation in the non-Communist world to improve much. Indeed, we may look for a worsening from recent bumper years. Depending on the whims of weather, there is annually present the probability that drought will strike in parts of the free world. And there is always a good chance that such droughts will assume serious proportions. In Western Europe a bad drought would hamper, perhaps reverse, the upward climb of industrial output and of rearmament by forcing greater imports of foodstuffs at the expense of imports for industry. If a wide area crossing several national boundaries (especially in Southern Europe) were simultaneously afflicted, U.S. stop-gap aid might be insufficient to preclude serious unrest. In the face of food hardship, the governments' abilities to carry forward rearmament would be impaired. In the more backward areas of the world, where droughts cause starvation, relations with the U.S. may be put to severe strain by food shortages. To be politically effective US aid must be adequate, prompt, and judiciously administered - and this cannot always be assured.